GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3828
ANSWERED ON:17.08.2001
EXPENDITURE REFORM COMMISSION REPORT ON FOOD SUBSIDY
SADASHIVRAO DADOBA MANDLIK

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the food subsidy Bill, which was Rs.19.91 crore in 1948-49 has increased to Rs.8100 crore in current year`s budget;

(b) if so, whether the Government are making any serious attempts to reduce the subsidy without hurting the interests of poor consumers; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SRIRAM CHAUHAN)

(a): There is a provision of Rs. 13,675 crore in the BE for 2001-2002 for food subsidy.

(b)&(c): Some of the measures taken to reduce the subsidy are as follows:-

(i) In order to increase the offtake of foodgrains, Government has reduced the Central Issue Price of wheat from Rs.830/- per qtl. to Rs. 610 per qtl. and for rice from Rs. 1130/- per qtl. to Rs. 830/- per qtl. for APL families with effect from 12.7.2001 till 31.3.2002 or till surplus stocks last which ever is earlier.

(ii) Export of Wheat and rice.

(iii) Allotment of foodgrains for Food for Work Programme and other welfare schemes.

(iv) The allocation of foodgrains for BPL families has been increased from 20 Kg per family per month to 25 Kg per family per month at BPL rates from July, 2001. The basis of allocation of foodgrains for BPL families was changed to the population projections of the Registrar General as on 1.3.2000 instead of the projected population of 1995.

(v) Foodgrains at BPL rates are available for allotment to State Government @ 5 kg per head per month for covering categories of indigent people living in welfare institutions such as beggar homes, hostels for SC/ST Backward Students/Nari Niketan etc., sponsored by the State Governments and the concerned administrative Ministry of the Government of India. Foodgrains can now be allocated, under the Annapoorna scheme, to indigent old persons even in the case of those receiving old age pension from the State Governments;

(vi) Foodgrains at CIP applicable for BPL families will be allocated for welfare schemes implemented by the various Ministries of the Government of India;

(vii) Food grains will be allocated for development schemes (where the beneficiaries belong to BPL category), implemented by NGOs sponsored by the State Governments and endorsed by the administrative ministry in the Government of India, as also by International Organisations like the World Food Programme;

(viii) Government have also launched Antyodya Anna Yojana on 25.12.2000. Under this scheme Government will release wheat and rice @ Rs.2/- and Rs. 3/- per kg respectively subject to 25 kg. per family per month to approximately one crore poorest families all over the country, and the State Governments have accordingly been requested to identify these families.

(ix) Certain measures have been taken by the Food Corporation of India to reduce costs, viz., reduction in incurrence of shortages, demurrages, better utilization of storage space etc.